

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08

EA-10 FRB-03 INR-10 IO-13 NEA-11 NSAE-00 ICA-11

OPIC-03 SP-02 LAB-04 SIL-01 AGRE-00 OMB-01 SS-15

TRSY-02 NSC-05 STR-07 L-03 H-01 /129 W

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R 061958Z JUN 78

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 2772

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USOECD

E.O. 11652: N/A

TAGS: OECD, ECON

SUBJECT: ECONOMIC POLICY COMMITTEE: WORKING PARTY FOUR

1. MISSION HAS RECEIVED LETTER FROM SECRETARIAT (DOBELL) COMMENTING ON PROPOSED AGENDA FOR JUNE 29-30 MEETING OF WP-4. TEXT AS FOLLOWS:

ATTACHED WITH THIS LETTER IS THE AGENDA FOR THE MEETING OF WORKING PARTY NO. 4 SCHEDULED TO BE HELD ON 29TH AND 30TH JUNE, 1978. SINCE THE INFORMAL MEETING OF EXPERTS ON MONETARY POLICY MENTIONED IN MY LETTER OF 28TH FEBRUARY HAS NOW BEEN SCHEDULED TO TAKE PLACE AFTER THE WORKING PARTY MEETING RATHER THAN PRIOR TO IT, AS SUGGESTED EARLIER, SOME CHANGE IN THE ORDER OF DISCUSSION FOR THE WORKING PARTY ITSELF MIGHT ALSO BE APPROPRIATE. IN PARTICULAR, DISCUSSION OF POSSIBLE IMPACTS OF MONETARY POLICY ON INFLATIONARY PRESSURES MIGHT BE BASED ON A BACKGROUND PAPER AND THE MAIN ISSUES PAPER TO BE CIRCULATED, AND MIGHT FOCUS ON BROAD POLICY QUESTIONS AND TECHNICAL ISSUES WHICH THE WORKING PARTY FEELS IT WOULD

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BE PARTICULARLY HELPFUL TO HAVE CONSIDERED AT THE EXPERTS' MEETING. SUCH ISSUES MAY THEN BE DISCUSSED AGAIN AT GREATER LENGTH AT THE WORKING PARTY MEETING IN THE AUTUMN, ON THE BASIS OF ANY CONCLUSIONS EMERGING FROM THE EXPERTS' MEETING AND CONSEQUENT FURTHER WORK BY THE SECRETARIAT.

AS SUGGESTED EARLIER, THE WORKING PARTY MIGHT ALSO RETURN IN ITS AUTUMN MEETING TO ONE OF ITS REGULAR REVIEWS OF INCOMES POLICIES, BUT IN THE CONTEXT OF A MORE COMPREHENSIVE SURVEY OF POSSIBLE IMPACTS ON INFLATION FROM VARIOUS SOURCES. IN PREPARING MATERIAL FOR THIS AUTUMN MEETING, THE SECRETARIAT IS CIRCULATING ALREADY A PRELIMINARY REPORT ON REAL WAGE ADJUSTMENTS IN CONDITIONS OF EXTERNAL PRICE CHANGES; THIS PRELIMINARY REPORT IS PROPOSED FOR DISCUSSION AT THE COMING MEETING IN JUNE. BASED ON COMMENTS BY MEMBERS OF THE WORKING PARTY, A FINAL REPORT ON THIS ISSUE COULD SERVE AS AN IMPORTANT DOCUMENT FOR THE AUTUMN MEETING.

THE WORKING PARTY MAY THEREFORE WISH, AT THE COMING MEETING, TO REVIEW ASPECTS OF THE PROBLEM OF WAGE INFLATION AND PRODUCTIVITY DEVELOPMENTS IN LIGHT OF THE PAPERS TO BE CIRCULATED ON FIXED EMPLOYMENT COSTS AND WAGE DIFFERENTIALS; TO HAVE A PRELIMINARY DISCUSSION OF THE ADJUSTMENT OF REAL WAGES TO PRODUCTIVITY DEVELOPMENTS AND CHANGES IN THE TERMS OF TRADE; AND TO SURVEY MAJOR ISSUES RELATING TO THE IMPACT OF MONETARY POLICY IN WAGE BARGAINING AND INFLATION. IT SEEMS LIKELY THAT THIS AGENDA

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MAY REQUIRE A FULL TWO-DAY MEETING, BUT MAY PROVIDE A USEFUL BASIS FOR FURTHER SERIOUS STUDY OF THE RELATIONSHIP BETWEEN INFLATION, MACRO-ECONOMIC POLICY AND GROWTH

PROSPECTS. END TEXT

2. TEXT OF AGENDA:

(1) ADOPTION OF THE AGENDA.

(2) MAIN ISSUES FOR DISCUSSION CPE/WP4(78)2
NOTE BY THE SECRETARIAT

(3) FIXED EMPLOYMENT COSTS CPE/WP4(78)1
NOTE BY THE SECRETARIAT

(4) PRELIMINARY REPORT ON WAGE CPE/WP4(78)3
DIFFERENTIALS
NOTE BY THE SECRETARIAT

(5) PRELIMINARY REPORT ON REAL CPE/WP4(78)4
WAGE ADJUSTMENTS
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NOTE BY THE SECRETARIAT

(6) BACKGROUND PAPER ON MONETARY DES/NI(78)12
POLICY AND INFLATION
NOTE BY THE SECRETARIAT

(7) OTHER BUSINESS

PAPERS HAVE NOT BEEN ISSUED.
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Message Attributes

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